

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington D.C. 20554**

In the Matter of)
)

Federal-State Joint Board on)
Universal Service)

Virgin Mobile USA, L.P.)

Petition for Designation as an Eligible)
Telecommunications Carrier)
in the Commonwealth of Virginia)
)
)
)

CC Docket No. 96-45

**AMENDMENT TO PETITION FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE COMMONWEALTH OF VIRGINIA**

I. INTRODUCTION

Virgin Mobile USA, L.P. ("Virgin Mobile"), by its undersigned counsel, hereby submits this Amendment to Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia ("Amendment"). By this Amendment, Virgin Mobile narrows the scope of its original petition for designation as an Eligible Telecommunications Carrier ("ETC") to limit its request to participate only in the Universal Service Fund's ("USF") Lifeline program. Virgin Mobile's amended ETC designation request is consistent with the Federal Communications Commission's ("Commission") recent Order conditionally granting ETC status

to TracFone Wireless, Inc. (“TracFone”),¹ and fully complies with all of the public interest criteria established by the Commission for consideration and approval of ETC petitions. Virgin Mobile’s amended request also meets the standard for forbearance from application or enforcement of the Section 214(e)(1)(A) facilities requirement, as set forth in Section 10 of the Communications Act of 1934, as amended (“Act”).²

II. BACKGROUND

A. Original Petition

Virgin Mobile’s original request sought designation as an ETC in Virginia for purposes of participation in the USF’s Lifeline and Link-Up programs.³ As Virgin Mobile stated in its original petition, which it filed on December 5, 2007, designation of the company as an ETC in Virginia to offer USF-supported services would promote the public interest since it would provide qualifying Virginia customers with lower prices and higher quality wireless services. While the wireless marketplace remains intensely competitive, many lower-income customers in Virginia have yet to benefit from this competition because of financial constraints, poor credit history or intermittent employment. Virgin Mobile’s prepaid service offerings are ideally suited to provide these customers with reliable and cost-effective wireless services. As an ETC, Virgin Mobile would expand the availability of these discounted and affordable services to eligible Virginia consumers—many of whom are among the intended beneficiaries of USF support. To

¹ See *In the Matter of Federal-State Joint Board on Universal Service, TracFone Wireless, Inc., Petitions for Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, Tennessee, Virginia and Washington D.C.*, Order, FCC 08-100 (rel. April 11, 2008) (“TracFone Order”).

² See 47 U.S.C. § 160.

³ To date, Virgin Mobile has sought ETC designation for Massachusetts, New York, North Carolina, Pennsylvania, Tennessee and Virginia.

offer the broadest array of USF-supported service offerings and plans, therefore, Virgin Mobile sought designation as an ETC to obtain funding from the Lifeline and Link-Up programs.

B. TracFone Order

In the *TracFone Order*, the Commission conditionally designated TracFone as an ETC in eleven states and the District of Columbia, but limited the designation to only the USF's Lifeline program. In designating TracFone as an ETC for purposes of receiving Lifeline support, the Commission noted that "the prepaid feature [of TracFone's service] ... may be an attractive alternative to Lifeline-eligible consumers who are concerned about usage charges or long-term contracts."⁴ The Commission further reasoned that designation of prepaid wireless providers as ETCs would provide a variety of benefits to low-income consumers, including increased consumer choice, high-quality service offerings and access to emergency services on wireless devices.⁵

III. ANALYSIS

In light of the Commission's ruling in the *TracFone Order*, Virgin Mobile wishes to clarify its request for ETC designation, and its petition for forbearance from the facilities-based requirement of Section 214(e) of the Act, to limit its request to participate only in the USF's Lifeline program. Virgin Mobile commits that, if designated as an ETC in the commonwealth of Virginia, it only will utilize universal service funds to offer Lifeline-supported service to customers eligible and qualified to participate in the Lifeline program. It does not seek access to any other form of USF support, including Link-Up funding, and will accept a condition so limiting its designation. This amended request for ETC designation fully complies with all of the

⁴ *TracFone Order* at ¶ 15.

⁵ *See id.*

public interest criteria established by the Commission for consideration and approval of ETC petitions. Virgin Mobile's request also continues to meet the standard for forbearance from application or enforcement of Section 214(e)(1)(A)'s facilities requirement, as set forth in Section 10 of the Act.

Virgin Mobile submits that designation of the company as an ETC solely for purposes of participating in the Lifeline program promotes the goals of universal service and offers many benefits to low-income Virginia customers. The amended nature of Virgin Mobile's request does not alter its desire to quickly deploy USF-supported services to eligible customers. Once designated as an ETC, Virgin Mobile will rapidly provide eligible customers with a variety of new and appealing Lifeline-supported service options. Designation of Virgin Mobile as an ETC for purposes of offering Lifeline-supported services is imperative to assisting lower-income customers in obtaining affordable wireless services. In the current economic environment, many existing wireless customers may be forced to forego wireless services because they can no longer afford them. Designation of ETC status to Virgin Mobile to participate in the USF's Lifeline program should help these customers by providing them with cost-effective and appealing wireless offerings. Undoubtedly, low-income customers receive significant benefits from continued and uninterrupted access to wireless services. As noted in a recent study sponsored by the Massachusetts Institute of Technology's Legatum Center for Development and Entrepreneurship and the New Millennium Research Council, low-income customers receive significant economic and social advantages from wireless services, including enhanced

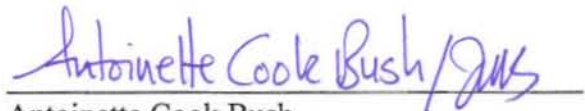
productivity, increased economic opportunity and broader access to emergency and safety services.⁶

IV. CONCLUSION

For all of the foregoing reasons, Virgin Mobile's amended request for designation as an ETC in the commonwealth of Virginia accords with the requirements of the Act and is in the public interest. Virgin Mobile respectfully requests, therefore, that the Commission expeditiously designate Virgin Mobile as an ETC in the commonwealth of Virginia.

Respectfully submitted,

VIRGIN MOBILE USA, L.P.



Antoinette Cook Bush
John M. Beahn
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue
Washington D.C. 20005
(202) 371-7000

Its Attorneys

Peter Lurie
General Counsel and Co-Founder
Virgin Mobile USA, L.P.
10 Independence Blvd
Warren, NJ 07059
(908) 607-4017

⁶ See *Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys*, Nicholas P. Sullivan (April 2008).

EXHIBIT 1
CERTIFICATION

Declaration of Virgin Mobile USA, L.P.

I, Peter Lurie, do hereby declare under penalty of perjury as follows:

1. I am the General Counsel and Co-Founder of Virgin Mobile USA, L.P., a Delaware Limited Partnership with its principal place of business at 10 Independence Blvd, Warren, NJ 07059.

2. I have read Virgin Mobile's Amended Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia and confirm the information contained therein to be true and correct to the best of my knowledge.

2. To the best of my knowledge, the Petitioner referred to in the foregoing Petition, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting or non-voting) are not subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on May 6, 2008.



Peter Lurie
General Counsel and Co-Founder

Subscribed and sworn before me
This 6th day of May 2008.


Notary Public

PURVI BHAGAT
Notary Public - State of New Jersey
No. 2302431
Qualified in Middlesex County
My Commission Expires: July 2, 2008